

MERCHANT ACQUIRER TOKENIZATION

PAYMENT PROCESSING - AUTHORIZATION

STEP 1 TRANSACTION BY CUSTOMER

Customer presents PAN to merchant POS - Physical or Remote



STEP 2 MERCHANT POS ENCRYPTS PAN



STEP 3 PAN ENCRYPTION

Merchant sends Encrypted PAN in Auth. Request, gets Merchant Token in Auth. Response; Merchant stores Merchant Token and deletes PAN



STEP 4 GATEWAY/ACQUIRER

MERCHANT TOKEN VAULT

Gateway/Acquirer decrypts the Encrypted PAN and generates Merchant Token



STEP 5 PAYMENT NETWORK

Payment Network sees PAN, does not see Merchant Token

ISSUER PROCESSOR

Issuer Processor authorizes transaction with PAN, does not see Merchant Token

ISSUER

Issuer sees PAN, does not see Merchant Token

GLOSSARY

PAN = Primary Account Number
POS = Point of Sale
TSP = Token Service Provider

